



## COMMITTEE ON THE BUDGET

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### **SUMMARY OF THE CONFERENCE REPORT to accompany THE FISCAL YEAR 2004 BUDGET RESOLUTION**

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10 April 2003

#### **Overview**

Maintains the three principles of the House-passed budget:

- ✓ Protecting America.
- ✓ Strengthening the economy and creating jobs.
- ✓ Fiscal Responsibility.

#### **Total Budget**

FY 2004 is \$2.248 trillion, an increase of \$92 billion or a 4.3% increase over FY 2003 (not including the war supplemental).

#### **Discretionary Appropriations**

Accepts the President's requested level for total FY 2004 appropriations, \$784.5 billion. This is an \$18.7 billion or 2.4% increase over FY 2003 levels (not including the war supplemental).

- ▶ FY 2004 Defense discretionary totals \$400.1 billion in 2004.
- ▶ FY 2004 Non-defense totals \$384.4 billion.

#### **Mandatory Appropriations**

The FY 2004 mandatory funding level is \$1.463 trillion, a \$73 billion or 5.2% increase over FY 2003.

### **Protects America**

- ▶ Maintains the House-passed funding levels for Defense and Homeland Security for 2004–2008, which is consistent with the President’s request.
- ▶ Provides for the total supplemental appropriation covering the Iraq conflict.
- ▶ Provides a \$5.6-billion reserve fund (over 10 years) for Bioshield, which will help protect the public from emerging threats of chemical, biological, or radiological agents.

### **Strengthens the Economy and Creates Jobs**

Provides for total tax relief of \$1,225.9 billion for 2003-2013.

- ▶ Includes \$550 billion for legislation to stimulate the economy and reform the tax code (including outlays). Note: During floor consideration the Senate will only consider \$350 billion but in the reconciliation conference, the conference can consider up to \$550 billion.
- ▶ Also includes \$691 billion in tax relief outside of reconciliation which accommodates, among other things, permanency of the 2001 tax package.

### **Fiscal Responsibility**

- ▶ With spending restraint, reduces deficits each year and balances the budget in 9 years (2012). Holds nondefense discretionary spending growth to roughly half the rate of inflation.
- ▶ Directs all committees to identify waste, fraud, and abuse and report back to the Budget Committee, with an accompanying report by the General Accounting Office not later than September 2, 2003. Findings would be used by the Budget Committee to help shape and plan for future program reforms.
- ▶ Codifies a statutory definition of emergencies, and requires committees to justify emergency spending requests in those terms.
- ▶ Includes limits on advance appropriations, which would otherwise be used to circumvent budget limitations.

### **Key Issues**

#### ***Agriculture:***

- ▶ FY 2004 funding is set at \$24.6 billion an increase of \$165 million over FY 2003.

#### ***Education:***

- ▶ FY 2004 funding is set at \$56.1 billion for the Department of Education, an increase of \$3 billion or 6% from the FY 2003 level.

- ▶ Provides for a \$50-million increase for the Impact Aid Program.
- ▶ Provides a \$2.2-billion increase for the Individuals with Disabilities Education Act [IDEA] in 2004, and an additional \$2.5-billion increase in 2005.
- ▶ Provides \$12.7 billion for Title I, a \$1 billion or 9% increase from FY 2003.

***Health Insurance for the Uninsured:***

- ▶ Provides a \$50-billion reserve fund (over 10 years) to increase access to health insurance for the uninsured.

***Medicaid / SCHIP:***

- ▶ Provides \$177.2 billion in FY 2004 budget authority, an increase of \$14.6 billion or 9.0% over FY 2003.
- ▶ Provides a reserve fund of \$8.9 billion over 5 years for Medicaid reform.
- ▶ Provides a reserve fund of \$1.26 billion for FY 2003 and \$1.33 billion for FY 2004 to return expired 1998 and 1999 SCHIP funds, and expiring 2000 funds, to the States.

***Medicare:***

- ▶ Provides \$266.0 billion for FY 2004 budget authority, an increase of \$17.4 billion or 7.0% over FY 2003.
- ▶ Provides separate \$400-billion reserve funds in the House and Senate for Medicare reform with prescription drug coverage.

***Transportation:***

- ▶ Provides for \$69.5 billion in FY 2004 which is an increase of \$5.4 billion or 8.4% from the FY 2003 level. Splits the difference between the House and Senate passed budget levels for the reauthorization of highway and transit programs. Included in this funding is \$425 million for Air Traffic Control and Safety, \$33.8 billion from the Highway Trust Fund for highway, highway safety and transit programs and \$4.8 billion for the Transportation Security Administration (TSA).

***Veterans:***

- ▶ Provides for \$63.8 billion in FY 2004 for veterans programs, a \$6.2 billion or 10.7% increase over FY 2003.
- ▶ Provides for \$30 billion in discretionary funding for the Department of Veterans Affairs, an increase of \$3.4 billion, or 12.9 %.